

## Form ADV Part 3: Relationship Summary Strategic Financial Services, Inc.

### Introduction

Strategic Financial Services is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** We offer the following investment advisory services to retail investors. For more information about our services please see **Item 4** and **Item 19** of our **Form ADV Part 2A**. (1) Wealth Counseling Services which can be described as a range of financial and investment planning, specific to your needs and circumstance, combined with our investment management services. Counseling services will cover mutually agreed-upon topics appropriate for your unique financial situation. Plans can be communicated in written documents or verbally during consultative meetings. You have the choice of utilizing our wealth counseling services in combination with investment management services, but we currently do not offer wealth counseling as a standalone service. (2) Investment Management Services are offered through our Strategic Core Program (“SCP”) and our Strategic SKY Program. Both involve us managing and trading your designated account(s). We also offer the ability to manage accounts through Schwab Institutional Intelligent Portfolios®, an automated investment program. We will discuss your investment goals and design a strategy to try and achieve your investment goals. We continuously monitor your accounts when providing investment management services and contact you at least annually to discuss your portfolio. Investment management services are provided on a **discretionary** basis, meaning we will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. In a few circumstances, we do offer the management of a non-discretionary account when the client wants to direct trading in the account. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**. (3) Retirement Plan Participant Advice: If your retirement plan utilizes our Employer Retirement Plan Services, we are available at your request to provide one-on-one education to you as a retirement plan participant regarding your investment options under the plan. We also provide plan enrollment meetings and group education meetings designed to educate participants on the plan investments, investment concepts, and overall plan options.

**Limited Investment Offerings:** We do not primarily recommend one type of security to clients. Instead, we recommend investment portfolios designed to be suitable for each client relative to that client’s specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities that are available on your custodian/broker-dealer’s platform. When providing you services, we do not recommend or offer advice on any proprietary products.

**Account & Fee Minimums:** The minimum for an SCP relationship is at least \$250,000. Exceptions will be made at our discretion. There is no minimum investment amount required for establishing a Strategic SKY Program account. The minimum for a Schwab Institutional Intelligent Portfolios® account is \$5,000.

**Conversation Starters:** *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### What Fees Will I Pay?

**Description of Principal Fees & Costs:** Fees for our Investment Management and Wealth Counseling Services are charged based on a percentage of assets under management, billed in advance on a quarterly basis, and calculated based on the fair market value of your account as of the last business day of the previous billing period. The annual fee for investment management and wealth counseling services will be based upon a fee schedule that ranges between 0.50% and 1.50%. We charge a lower fee if you decide not to utilize our Wealth Counseling Services. Because our fee is based upon the value of your accounts we have an incentive to recommend that you increase the level of assets in your

accounts. When engaging us for services, you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. You will also be charged internal fees and expenses by the funds we invest in within your account. For our *Retirement Plan Participant Advice*, there is no direct charge to the plan participant; rather, we charge the retirement plan an investment advisory fee.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

**Conversation Starters:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

**Standard of Conduct:** When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are two examples to help you understand what this means. (1) To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account (“IRA”) managed by us and subject to our asset-based investment advisory fees, this is a conflict of interest because we have a financial incentive to recommend that you move your IRA to us even if it is not in your best interest. For more information about this conflict and our procedures to mitigate the conflict, see **Item 4** of our **Form ADV Part 2A**. (2) When we provide asset management services, we will ask that you establish an account with Charles Schwab & Company, Inc. to maintain custody of your assets and to effect trades for your account. Our recommendation to use Schwab is not based solely on your interest of receiving the best execution possible. We also recommend Schwab because they provide us with research, products, and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which saves us money but also creates a conflict of interest. See **Item 12** of our **Form ADV Part 2A** for more information.

**Conversation Starters:** *How might your conflicts of interest affect me, and how will you address them?*

**Additional Information:** For more information about our conflicts of interest and the ways we are compensated, please see **Item 5** of our **Form ADV Part 2A**.

### **How Do Your Financial Professionals Make Money?**

**Description of Salary/Payment of IARs:** We compensate our investment adviser representatives with a combination of flat salary and a discretionary bonus that is not dependent on the level of revenue they specifically generate for the firm.

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

As a firm, we do not have any legal or disciplinary history to report. One of our investment adviser representatives has two disclosure events. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### **Additional Information About Strategic Financial Services**

Additional information about us and a copy of this relationship summary are available on the Internet at <https://investstrategic.com/>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/109677>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 315-724-1776.

**Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*